

Message Text

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44

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 SAM-01 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 EB-07 OMB-01 TRSE-00 XMB-02 OPIC-03

FRB-03 CIEP-01 CEA-01 /083 W
----- 032964

R 271451Z JUL 76

FM AMEMBASSY MADRID
TO SECSTATE WASHDC 6519
INFO AMEMBASSY LONDON
AMEMBASSY MOSCOW

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: EFIN, SP

SUBJECT: ONE BILLION DOLLAR LOAN FOR SPAIN

REF: MADRID 5172 (NOTAL)

1. RECENT "WALL STREET JOURNAL" ARTPME STATING THAT A SOVIET BANK HAD WITHDRAWN FROM SPANISH LOAN SYNDICATE AFTER AGREEING TO PROVIDE \$15 MILLION, IS TOTALLY WRONG ACCORDING TO EMBASSY SOURCE. "JOURNAL'S" STORY WAS PICKED UP HERE AND GIVEN FRONT-PAGE TREATMENT BY INDEPENDENT AFTERNOON PAPER "INFORMACIONES" WHICH SAID PROPOSED LOAN FACED AN INDEFINITE DELAY BECAUSE OF "POLITICAL DIFFICULTIES." LOAN SIGNING HAS IN FACT BEEN DELAYED FROM JULY 28 UNTIL PROBABLY AUGUST 9, BUT THIS IS DUE TO CERTAIN LEGAL ELEMENTS OF LOAN AGREEMENT WHICH ARE IN PROCESS OF BEING WORKED OUT BETWEEN GOS AND LEADERS OF SYNDICATE.

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2. ACCORDING TO SOURCE HERE, THE BANQUE COMERCIALE POUR L'EUROPE DU NORDE, A SOVIET-AFFILIATED BANK, BASED IN PARIS, WAS ONE OF 196 FINANCIAL INSTITUTIONS INVITED BY LOAN MANAGERS TO PARTICIPATE IN CREDIT. RUSSIAN BANK ONLY EXPRESSED INTEREST IN PROVIDING AMOUNT LESS THAN THE \$3 MILLION MINIMUM REQUIRED AND WHEN TOLD THIS WOULD NOT BE POSSIBLE CHOSE NOT TO PARTICIPATE. TO DATE SOME 40 BANKS HAVE AGREED TO PROVIDE ABOUT \$245 MILLION WITH REMAINDER OF THE \$1 BILLION COMING FROM THE 17 FOREIGN AND 8 SPANISH BANKS LEADING THE SYNDICATE.

3. EMBASSY FORWARDING COPY OF LOAN PROSPECTUS TO DEPARTMENT BY AIRGRAM.
STABLER

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Message Attributes

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Draft Date: 27 JUL 1976
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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